

House, John

From: Reynolds, Randy S
Sent: Wednesday, April 25, 2001 10:59 AM
To: 'RickSteckler'
Subject: RE: Edward Int'l subjob

Rick, staff had a meeting reference your request, and consulted with our Attorney General, and the consensus is that this would be a violation of the price posting law on uniform pricing (RCW 66.28.180). Edwards would be paying more for the beer they receive from you, because they have to pay the 10% back to you. You acknowledged that if you could, you would just charge Edwards more for the beer, but because of the uniform pricing, you have to sell to all distributors at the same price. Tacking on the 10% has the same end result, Edwards is paying more for the beer that they buy from you.

Asahi could carve out a distribution area in China Town for Edwards International, if you don't sell to those accounts anyway.

-----Original Message-----

From: RickSteckler [mailto:RickSteckler@columbiaseattle.com]
Sent: Monday, April 23, 2001 10:19 AM
To: Reynolds, Randy S
Subject: RE: Edward Int'l subjob

Randy,
Edward would be posting as a separate wholesaler at a price of their own choosing. I'm not sure what you mean by them having to sell at the posted price. This would be the same as other dual situations where two different distributors have different prices for the same item. They could either choose to eat the difference and match our pricing or pass on the 10% and post a higher price. I believe that they will elect to do the latter. Our prices won't match, but they will only be selling to retailers that we do not do business with (mainly smaller Asian restaurants and Asian corner stores which are account group niches that they specialize in). They currently sell some Sakes for instance that we and other wholesalers also represent in the same territory. Some of these they get from distributors and some they get direct from the supplier.

Thanks
Rick Steckler

===== Original Message from RSR@LIQ.WA.GOV (Reynolds, Randy S) at 4/23/01 9:53 am

Rick, since Edward has to sell to retailers at the posted price, and could not pass on the 10%, who would eat that, Edwards? Would they just make less on the product they sold to retailers in your area?

-----Original Message-----

From: RickSteckler [mailto:RickSteckler@columbiaseattle.com]
Sent: Thursday, April 19, 2001 9:35 AM
To: Reynolds, Randy S
Subject: RE: Edward Int'l subjob

Randy,
the 10% would be based on our laid in cost + 10%.
Rick

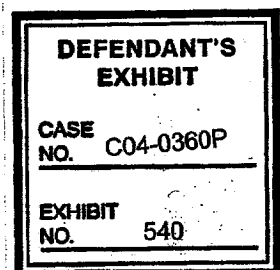
===== Original Message from RSR@LIQ.WA.GOV (Reynolds, Randy S) at 4/17/01 12:28 pm

Rick, what would the 10% upcharge be based on? (how would it be figured?)

-----Original Message-----

Resp to Costco RFP

1470



From: RickSteckler [mailto:RickSteckler@columbiaseattle.com]
Sent: Friday, April 13, 2001 12:55 PM
To: Reynolds, Randy S
Cc: SteveLipe
Subject: RE: Edward Int'l subjob

Randy,
you are correct. The 10% upcharge would only apply on product destined for sale in our assigned territory.
Rick

===== Original Message from RSR@LIQ.WA.GOV (Reynolds, Randy S) at 4/13/01 11:34 am

Rick, one question. I assume the 10% upcharge would only be for product sold in your area that you have a distributor appointment with Asahi Brewery?

-----Original Message-----

From: RickSteckler [mailto:RickSteckler@columbiaseattle.com]
Sent: Friday, April 13, 2001 11:22 AM
To: RSR@liq.wa.gov
Cc: GregMcCauley; SteveLipe
Subject: Edward Int'l subjob

Randy Reynolds
Manager, MIW Section, WSLCB

Randy,
per our discussion earlier today, here is the situation:
Columbia Distributing has agreed to appoint Edward International as a sub-distributor for Asahi Beer (and possibly other brands TBD) within our brewery assigned sales territory. This is with the approval and support of the Asahi brewery.
This appointment was approved by the WSLCB on 3/28/01.
As part of this arrangement, Edward agreed to pay an upcharge of 10%. This would be a type of brokerage/invasion fee since we cannot post a subjob price different than we have for the other distributors who buy from us. I believe that there is no provision against this, but we wanted to check with

you to make sure.

Please advise if you see any problems with this or let me know if you need any further information.
Thanks.

Rick Steckler
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Columbia Distributing/G. Raden & Sons
(425) 656-5126

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Resp to Costco RFP
1471

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Resp to Costco RFP
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